

Draft Talking Points

Grand Junction Petroleum and Mining Club

Acting Assistant Secretary for Land and Minerals Management Kate MacGregor

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Opening Remarks

- Hello everyone and thank you for coming out tonight. I'm so honored to be here, because in this room I am surrounded by **leaders and pioneers** within **Colorado's oil and gas, coal, and hard rock mining industries**.
- I hope to relay to you tonight the **acknowledgement and appreciation** this Administration has for the **critical** role your work plays in the economic and national security of our country.
- In doing so, I am going to discuss the efforts we are taking to make Washington D.C. a **better partner to you**, and I look forward to hearing **your** suggestions as well.
- I've been doing my best to meet you all this evening, but for those I haven't made it to yet, I am **Kate MacGregor**, and I am the **Acting Assistant Secretary for Land and Minerals**, and again, thank you for your gracious invitation to be here tonight.
- Prior to joining the Administration, I worked on Capitol Hill for several years for members who represented states where **energy and minerals development is critical to local economies**.
- I then worked on the **House Natural Resources Committee** for Chairman Doc Hastings and Chairman Rob Bishop, where I focused extensively on **national-level** policies to advocate the **efficient and safe development** of our nation's **vast natural resources**.
- In my current role, I oversee policy development and implementation for **four land and resource management bureaus**. Of those agencies, the one you are likely most familiar with is the **Bureau of Land Management**, or the BLM, which has an office right here in Grand Junction.

BLM in Colorado

- The BLM administers more than **245 million** surface acres of land, mostly in the western states, and about **700 million** subsurface acres of mineral estate throughout the country.
- In Colorado alone, the BLM manages about **41 percent** – that's **27 million acres** – of the total **mineral estate**.
- In Fiscal Year 2016, this mineral estate bore **255 billion cubic feet of gas, 4.8 million barrels of oil, and 158 million gallons of natural gas liquids**, with nearly **half** of the proceeds from lease sales, rents, and royalties going to the state of Colorado.
- **And mining. Mining has been and continues to be a critical part of Colorado's history, economy, and job security** – especially on the county and local community level.
- **In fact, mining's importance to Colorado's economic and social infrastructure cannot be overstated** – and nationally, not just locally – because it is the mining industry that continues to produce so many of the **essential raw minerals that our modern society depends upon**.
- And Colorado is one of the **special geological places on the globe** where a **wide array of minerals are prevalent**. This includes **uranium, gold, bentonite, limestone, sodium, and gypsum**, to name a few.
- In Colorado, the BLM's locatable minerals program administers over **9,000 active mining claims**, over **30 mining plans**, and **30 plus mineral explorations**.
- In addition, we have **six producing coal mines in Colorado**, and over **50 coal leases encompassing about 80,000 acres**.
- In Fiscal Year 2016 alone, over **11 million tons** of Federal coal sales in Colorado contributed **\$470 million dollars to the economy** and produced **\$36 million dollars in royalties**.

- And what is even more exciting about these numbers is that in some ways **we are just beginning.**
- There remain **vast untouched natural resources** here in Colorado and **great potential for their development.**
- For example, just **last year**, the **U.S. Geological Survey** updated its mineral assessment of the **Mancos Shale play** within Colorado's **Piceance (PEE-Ants) Basin.**
- When the assessment was first completed in **2003**, the U.S. Geological Survey estimated that there was **1.6 trillion cubic feet of shale natural gas** in the basin that was undiscovered and technically recoverable.
- Fortunately, in the last decade, **new drilling in the Mancos Shale by operators**, likely some of you here tonight, provided **additional geologic data about the potential resources.**
- **And it is this work -- your development and your contribution to the geologic and geophysical knowledge base --** which in turn drove the Federal government to incorporate new science, data, and technology to reassess its earlier findings.
- And in doing so, the U.S. Geological Survey's **2016** assessment reports that the **Piceance (PEE-Ants) Basin**, in fact, contains an astonishing estimated mean of **66 trillion cubic feet of shale natural gas**, **versus the previous assessment of 1.6 trillion.**
- AND this is in addition to **74 million barrels** of shale oil and **45 million barrels** of natural gas liquids. **These are all technically recoverable resources.**
- This is **amazing**, and we continue to work with the U.S. Geological Survey to update its assessments of **petroleum basins nationwide --** onshore and offshore, **including Alaska's North Slope.**
- Through a **Secretarial Order** earlier this year, **Secretary Zinke laid the groundwork** for a new assessment of the technically recoverable oil and gas in

Alaska's expansive 23 million acre National Petroleum Reserve, as well as on the **1.5 million acre coastal plane** located within the Arctic National Wildlife Refuge in the northeastern portion of the state.

- **The potential of these areas had been locked up by the previous Administration -- But, under the Secretary's current direction, and in support of President Trump's energy agenda, geological and seismic surveys are in the process.**
- This is a great example of how we are taking steps to **restore access to public lands, develop our nation's incredible natural resources in an environmentally sound way, and help ensure economic security for local communities.**
- These are some of the **cornerstone principles** of President Trump, Secretary Zinke, and this Administration.

America First Energy Agenda

- **As many of you are aware, a lot has changed since January 20th – when I started my new career with the Department.**
- Under President Trump's Administration and with Secretary Zinke's leadership, the Department of the Interior is at the **forefront of driving change in Washington, D.C.** to support an **America First Energy Agenda.**
- This Administration is not ashamed of **harnessing our nation's resource wealth** – as it has a role to play in meeting our national needs and keeping our economy on strong footing for decades to come.
- Public lands support this agenda and Secretary Zinke's priority to maintain our nation's **energy dominance by advancing domestic energy production, generating revenue, and creating and sustaining jobs throughout our country.**
- In support of this agenda, we recognize and appreciate the importance of **working cooperatively with our industry and community stakeholders** so we can achieve our **shared goals of responsible natural resource development.**

- And this means being a **better partner** to those of you in this room.
- We realize that when you are considering whether to develop Federal oil and gas, coal, or hardrock mineral resources, **superfluous regulations, lengthy permitting processes, and bureaucratic red tape** often serve as significant barriers.
- **Let me assure you** that the Secretary and I are committed to serving as **agents of change** with regard to these patterns, and to **eliminating the obstacles** to responsible development of energy and mineral resources.
- And to do this, we have spent the majority of 2017 taking a **broad look at all areas of the energy spectrum on public lands**, and under Secretary Zinke's leadership, we've accomplished some pretty big things in relatively short period of time.

Secretarial Orders

- As I mentioned with regards to resource development in Alaska, **the Secretary has issued several orders** during his tenure thus far to **mitigate the regulatory onslaught of the previous Administration**, and to set **new priorities for the Department**.
- **Under Secretary Zinke's leadership** - and consistent with Executive Orders the President has issued - we're taking a look at the **various ways our public lands are made available** for the development of energy and mineral resources.
- And through these Orders and their resulting reviews, work products, and policies, the Secretary is **reshaping the way the Department of the Interior does business**.
- In March, for instance, the Secretary **repealed the Obama-era moratorium on new coal leasing**. **Costly and unnecessary**, the moratorium served only to **stymie energy development, diminish employment opportunities, and cheat the American tax-payer**.

- **With more coal than any other nation on earth**, the United States is lucky to be at a time in our history that we have the technology available **to responsibly mine it – AND to return our land to equal or better quality after.**
- **The Secretary took great pride in ending the Department of the Interior's war on coal...**
- Both in his role as the **steward** of our nation's public lands, **and** as a **fifth-generation Montanan** who understands that coal on public lands holds the potential for **thousands of jobs in rural communities** and **millions in economic opportunity**.
- And just yesterday, I had the pleasure of touring the nearby **Sufco Mine** in central Utah. This **\$22 million dollar** coal lease on the **Greens Hollow tract** was the **first** approved by this Administration and is a symbol of our **pro-energy and pro-growth economic policies**.
- My visit there also supported the work of the Department to **streamline the coal leasing process**, and I plan to carry the input from my generous hosts back to Washington as we **continue to seek ways to ensure a more timely and reliable leasing process for producers of coal**.
- In addition to coal, the Secretary's Orders have taken aim at oil and gas development.
- **Just last month**, we released to the public a report identifying agency actions that potentially burden the **development or use of** domestically produced energy resources.
- The Secretary and I strongly believe that **developing our energy resources** to grow our economy, and **protecting the environment**, are **not** mutually exclusive.
- In our review, however, we found that several **costly and burdensome regulations** from the past were threatening this balance by hampering the production or transmission of our domestic energy.

- So our report identifies a number of these **impediments to responsible development** and makes recommendations on how to alleviate them so we can more successfully **foster domestic energy development** –
- And we've found that this requires both **regulatory and policy reform**.

Regulatory Reform

- This approach includes a combination of rule rescissions, review of existing policy, and promulgation of new policy or guidance, **all of which aim to reduce burdens on energy producers**.
- For instance, in July we announced a proposal to rescind the **BLM's 2015 hydraulic fracturing rule**.
- **Redundant, costly and excessive**, we determined the rule would create further impediments to responsible development on Federal lands, harming local communities and the American taxpayer at large.
- The proposal received broad support from industry, and we are moving forward with finalizing the rule's rescission.
- Similarly, we have reviewed the **BLM's waste prevention, or venting and flaring rule**, and have found that it is expected to have **real and harmful impacts** on onshore energy development and could impact state and local jobs and revenue -- **with Colorado being one of the hardest hit states**.
- We are currently retooling this rule and – **with robust input from our state, tribal, and industry partners** – are **confident** we will produce a regulation that successfully addresses waste **without thwarting American energy production, economic growth and job creation**.

Planning and NEPA

- In this vein, we are also looking at ways to improve our **resource management planning and NEPA analysis**.

- This includes taking a fresh look at the Obama-era sage-grouse conservation plans which effect the management of resources and public lands in 10 western states.
- To ensure that **all of our partners and stakeholders** have a voice in potential amendments to these plans, we are conducting **extensive outreach** with our **state partners and those most affected by these decisions** – including public scoping meetings like the one we just held last week in Craig, Colorado, to find workable solutions regarding conservation of the bird.
- Also at the Secretary’s direction, a team of BLM subject matter experts has worked with stakeholders and experts from other agencies, state and local governments, tribes and the public to identify **recommendations to improve upon its land use planning and NEPA processes**.
- The recommendations demonstrate **greater responsiveness to local needs, achieve cost and time savings, and reduce litigation risk**, while continuing to fulfill the BLM’s legal and resource stewardship responsibilities.
- Additionally, the Department’s Deputy Secretary issued an Order in late August setting **specific time and page limits** for NEPA analysis documents.
- In doing so, we are asking agencies to focus on issues that truly matter when undertaking environmental analysis rather than amassing a mountain of paperwork with unnecessary detail.
- In recent years, an Environmental Impact Statement for a routine project easily exceeded **several hundred** pages, and took **three or more years** to complete.
- Under this new direction, a typical Environmental Impact Statement will be limited to **150** pages and will be completed within **one year** of the project’s initiation.
- By producing NEPA documents with reasonable lengths, **the public will be able to more easily understand and comment** on these Department actions affecting their communities, economies, and public lands.

- We anticipate that use of these guidelines, in addition to streamlining our NEPA review processes, will remove impediments to efficient and effective decision-making for projects on Federal lands.

Permit Processing

- Similarly, the BLM is seeking efficiencies in its management of drilling permits. **I know this has been a source of frustration.**
- As you know, the Secretary has called for **faster and more efficient oil and gas permitting to clear the backlog of APDs.**
- In January of this year, we set an ambitious goal to process over approximately **700 APDs within 90 days**. The BLM exceeded this goal and was then challenged to complete over **900 APDs within the same 90-day timeframe**. The BLM again exceeded its goal.
- Making better use of technology, including an enhanced APD processing system, and tactical use of personnel – the BLM has **also reduced its processing time for APDs**, and we are continuing to see vast improvements.
- The Department is committed to being a better business partner to the oil and gas industry and we are actively seeking ways to reduce these permitting times closer to **30 days** while ensuring environmentally sound review.
- To help make this possible, we are focusing on **restoring full collaboration and coordination** with state and local governments, tribes, individuals, and other stakeholders to **resolve issues, develop productive relationships, and build consensus early on in a project.**
- The Secretary and I remain committed to promoting responsible energy and mineral development and **appreciate the important work you all do in Colorado** that helps create jobs, promotes a robust economy, and contributes to America's energy dominance.
- Your ability to accomplish all of this, while also **protecting consumers, public health, and sensitive public land resources and uses**, serves as a model to the rest of the country.

Closing Remarks

- I want to close by saying that how much **the Department appreciates the opportunity to participate in this event.**
- It is an important chance **to visit, listen and share** with many of key individuals and organizations that have a **keen interest in seeing the successful development of this region.**
- It's been a **very busy 2017** at the Department of the Interior, and we look forward to working with you into the future as we **drive this change for the benefit of the American public.**
- And with that, I would now love to hear your questions, comments, and suggestions.